

17 May 2016

OMG plc

(“Oxford Metrics” or “OMG” or the “Group”)

Interim Results for the six months ended 31 March 2016

OMG plc (LSE: OMG), the technology group providing Computer Vision products and services for the entertainment, life science, engineering industries and consumer electronics markets, announces interim results for the six months ended 31 March 2016.

Financial Key Points from continuing operations

- Group Revenue of £12.2m, up 8% (H1 FY15: £11.3m) – record first half performance
- Return to H1 profitability, with adjusted* PBT of £0.9m (H1 FY15: adjusted* loss before tax of £0.7m)
- Group cash position stands at £5.8m (31 March 2015: £8.6m)
- £4.5m returned to shareholders in the period via a Special Dividend of 3.75p per share
- Final Ordinary Dividend of 0.65p per share paid on 9th March 2016
- Vicon revenue up 8% year-on-year, with 26% year-on-year increase in adjusted* PBT
- Yotta revenue up 8% year-on-year, with annual recurring revenues increasing by 26% and adjusted* PBT by 10% on the same period last year

Operational Key Points

- Increased traction for Vicon Vantage – systems to new and existing customers including Industrial Light and Magic, Duke University, CD Projekt in Poland, Autodesk, Children’s Hospital Colorado and Teleton in Uruguay
- Vicon technology used on chart topping video games, including NBA 2K16, WWE 2K16, EA Sports™ FIFA 16 and UFC® 2
- New strategic partnership with Vizrt opens new market opportunities in real-time broadcast space
- Released next-generation software for mobile Yotta users, based upon the Android™ platform
- Further wins for Mayrise and Horizons, in particular;
 - Mayrise contracts with Gateshead Council, Telford and Wrekin Council, North East Lincolnshire Council, East Sussex Council and Wigan Council
 - Horizons installations with Bolton Council, London Borough of Harrow, Hampshire County Council and De Jong (Netherlands)
- Two engineering engagements continue to make encouraging progress, with our Capture IP implemented on a variety of platforms, devices and operating systems
- Intention to spin out additional early stage IP, relating to Machine Learning-based imagery classification, into a new company in exchange for an expected 35% equity stake
 - Previously unexploited IP provides additive opportunity for Group to realise value without undue and additional capital risk

** Profit before tax from continuing operations before group recharges adjusted for share based payments, amortisation of intangibles arising on acquisition, fair value adjustment to contingent consideration, unwinding of discount on contingent consideration, acquisition costs and redundancy costs.*

Commenting on the results Nick Bolton, Chief Executive Officer said:

“This has been a very encouraging first half for our Group, with solid increases in revenue and a return to first half profitability underpinning the Board’s confidence in the Group delivering its expectations for the full year as a whole. The core products, around which our Group is now centred, both in Vicon and in Yotta, have continued to see strong sales traction and we continue to explore new platforms and potential to sustain this growth going forward. It is also particularly exciting to announce our IP spin-out intentions today, which represents an opportunity for us to realise additional value from a currently nascent piece of IP in our portfolio, without assuming the full capital and investment risk inside our Group. We believe there is meaningful potential for the team to monetise the opportunity in front of them and we wish them well in that endeavour.”

For further information please contact:

OMG plc +44 (0) 1865 261800
Nick Bolton, CEO
David Deacon, CFO

FTI Consulting +44 (0) 20 3727 1000
Matt Dixon / Emma Appleton / Harry Staight

N+1 Singer (NOMAD to OMG) +44 (0) 20 3205 7500
Shaun Dobson / Jen Boorer

About OMG plc

OMG plc (Oxford Metrics Group. LSE: OMG) is a group of technology companies producing Computer Vision products and services for the entertainment, life science, engineering industries and consumer electronics markets.

The Group's technology is used globally to capture the movements of actors (for the movie industry), sportsmen and women (for video games or improving team performance), and children with cerebral palsy, rehab patients and animals (for medical, life science and research industries). The technology is also used for the management of highways and other forms of distributed infrastructure assets, such as lighting systems and other street furniture. Through this diverse offering the Group has earned its strong international reputation for precision from pixels and its unique expertise in imaging technology.

Founded in 1984, the Group is headquartered in Oxford, UK, and has two offices in the US and four in the UK. It has customers in over 65 countries and is a quoted company listed on AIM, a market operated by the London Stock Exchange. The Group trades through three subsidiaries: Vicon, the world's largest motion capture and movement analysis company, Yotta, a provider of software and services for infrastructure asset management and OMG Life, our IP licensing business, which is focused on unlocking latent value in OMG's IP.

The Group's global clients spanning the worlds of science, medicine, sport, engineering, gaming, film and broadcast include: major hospitals and research facilities such as Guy's Hospital, Nuffield Orthopedic Centre, Headley Court and Loughborough University, engineering industry leaders including: Ford Motor Company, BMW, Toyota and European Space Agency and in the entertainment sector; The Imaginarium, Sony, Industrial Light and Magic, Sega, Nintendo, UbiSoft, EA and Square Enix. In infrastructure asset management, clients include Highways England, Amey, Fulton Hogan, Northumberland, Norfolk, Lancashire, Hampshire, Cheshire East and West, Kent as well as many others.

Chairman and Chief Executive's Statement

Our Group has made a positive start to 2016. Group revenues are up 8% year-on-year at £12.2m: the highest ever H1 revenue performance achieved by the Group on a continuing operations basis. This has been made possible by the good progress we have seen across all our operations. Compared to the same period last year, Vicon has delivered an improved first half revenue and profit; Yotta has also recorded improved revenues and profits driven by the continued success of its software business; and OMG Life has reported a substantially lower loss and is progressing key milestones with its engineering engagements and licensing discussions.

In addition to operational progress in the first half, we have also made some strategic steps forward. As we continue to pursue our central purpose of maximising the value inherent in our Intellectual Property (IP) to generate further shareholder value, the Group is pleased to announce its intention to spin-out some nascent, currently unexploited Group IP into a new company. The technology, which relates to Machine Learning-based imagery classification, is not used in any of the Group's existing products or services nor is it part of the on-going licensing discussions currently being pursued by OMG Life (and therefore will have no impact on these on-going discussions). Instead, it represents IP

that would otherwise remain unexploited within the Group's current operational plans as it is too early stage to be considered consistent with the Group's strategy and therefore the value of it would, thereby, be unrealised. By spinning it out from the Group, the aim of which is to commercialise the IP, we believe it provides us with an additional value creation opportunity for the Group without any expansion of our own capital or Group risk.

It is anticipated Dr Julian Morris, founder of Oxford Metrics, will become involved in this new venture in due course, and, on successful completion of this transaction, move to become a Non-Executive Director of OMG plc, given this new focus. Seed capital for the new business has been informally committed from a small number of early stage angel investors, which additionally includes a number of OMG plc Directors and employees.

In exchange for the spin out, OMG's equity stake in the new venture is expected to be c.35% reflecting £0.5m expensed by the Group in total research costs in this early stage IP. The fair value of the Group's minority interest will be subject to an independent valuation in due course. Subject to the necessary funding being procured the new venture is expected to be operational by the end of July 2016.

The new venture will aim to change the ways in which we search, discover and manage images, by enabling the user to find people, objects and scenes from the image content alone. This removes the need for manual tagging or manual sorting. While this represents a significant technical and marketing challenge, the new company believes, with additional resources and further development around the transferred IP, this is a realisable, but high-risk goal. Spinning out the IP enables the Group to pursue a high growth opportunity in a low risk manner and, if successful, be rewarded for its early involvement. A number of OMG Life employees are expected to transfer over to the venture further reducing the costs of this division in line with our strategy.

Finally, as first announced at the time of our Preliminary Results, the Group returned a further £5.3m to shareholders by way of a Special Dividend of 3.75p per share and a final Ordinary Dividend of 0.65p per share during the period.

Financial Summary

KPI	H1 FY16	H1 FY15	Change
Group Revenue	£12.2m	£11.3m	+£0.9m
Group Cash Position	£5.8m	£8.6m	-£2.8m
Group Adjusted* Profit/(Loss) before Tax	£0.9m	(£0.7m)	+£1.6m

During the first half, Group revenue increased year-on-year by 8% to £12.2m (H1 FY15: £11.3m). Accordingly the Group reports an improved adjusted* profit of £0.9m (H1 FY15: loss before tax of £0.7m).

Group cash position as at 31 March 2016 stood at £5.8m (H1 FY15: £8.6m), largely reflecting inventory investment to satisfy the strong sales pipeline, an increase in cash receipts due from customers and the absence of a cash contribution from 2d3 following the disposal. The Group remains debt-free.

OMG Vicon

	Revenue		PBT		Adjusted* PBT	
	H1 FY16	H1 FY15	H1 FY16	H1 FY15	H1 FY16	H1 FY15
Vicon UK / ROW	£4.4m	£4.6m	£1.2m	£1.3m	£0.9m	£1.0m
Vicon US	£3.9m	£3.1m	£0.4m	£0.1m	£1.4m	£0.8m
Total Vicon	£8.3m	£7.7m	£1.6m	£1.4m	£2.3m	£1.8m

Vicon reported an encouraging start to FY16 with revenues improving 8% as the business benefited from a full six month sales cycle with the new Vantage camera as well as a strong US performance. Vicon reported an adjusted* profit before tax of £2.3m (H1 FY15: £1.8m) which reflects higher revenues and a slightly improved gross margin percentage on revenues achieved.

Sales of the new Vicon Vantage camera continue to gather momentum, recently winning a StudioDaily Prime Award in the Best Production Tools category. Vicon made a wide variety of sales to both new and existing customers including; Industrial Light and Magic for both their London and San Francisco locations, Duke University within their Human Performance Lab, CD Projekt in Poland, Autodesk, Children’s Hospital Colorado and Teleton in Uruguay. The system with Teleton is the first sale to a large charitable group that will support children’s rehabilitation centres across South America.

There was also positive sales news closer to home driven by the newly introduced Vantage camera range, where the company saw notable UK wins, including systems at universities in Roehampton and Derby. The University of Roehampton, a Vicon customer of 20 years, purchased its fifth system, upgrading to a Vantage system with Nexus software. Vicon also signed a deal with Derby University to supply a Vantage system along with Nexus software, which has been installed in the University’s new Sports Performance Centre. Vicon also continues to be used on chart topping video games including NBA 2K16, WWE 2K16, EA Sports™ FIFA 16 and UFC® 2.

In February 2016, Vicon signed a strategic partnership with Vizrt, a world leader in virtual sets for the broadcast market, to use Vicon’s tracking system to quickly deploy virtual sets with low latency, reliable, accurate Vicon tracking. This opens up new market opportunities for Vicon in the real-time broadcast space.

Significant technological progress has also been made in the Innovate UK funded project and we are now moving into a focused exploitation phase of the research. This covers how the technology developed thus far will be integrated into the company’s existing and future products.

Vicon’s sales pipeline is promising and, in line with previous years, revenue is expected to be second half weighted giving us confidence the business will deliver on expectations for the full year.

OMG Yotta

	Revenue		PBT		Adjusted* PBT	
	H1 FY16	H1 FY15	H1 FY16	H1 FY15	H1 FY16	H1 FY15
Yotta	£3.9m	£3.6m	(£0.1m)	(£0.1m)	£0.6m	£0.5m

Yotta reported revenues up 8% compared to the same period last year at £3.9m (H1 FY15: £3.6m). This increase has been achieved through the growth of the software and consulting services parts of the business. The combined software and services business now has annual recurring revenues of £3.9m (H1 FY15: £3.1m). Software and related revenues accounted for 69% of revenues in the first half (H1 FY15: 61%).

Yotta reported an adjusted* profit before tax of £0.6m (H1 FY15: £0.5m).

In the Preliminary Results we outlined Yotta’s multiple vectors of growth – the opportunity to expand its UK market share, to grow its international business and to realise growth through its increasing range of important partnerships. We are pleased to report progress on all three growth vectors.

Yotta’s Horizons product, its SaaS Visualised Asset Management system, continued to show strong growth. There are now 62 (H1 FY15: 46) Horizons’ customers globally, and new installations for Horizons in this period include Bolton Council, London Borough of Harrow, Hampshire County Council and De Jong (Netherlands). Yotta continued its international investment in the first half and now has nine new international customers (H1 FY15: 0) across The Netherlands and Australia. To focus on the continued growth in this region, Yotta has appointed a European Partner Sales Manager. Lastly, Yotta continues to develop strong relationships with its strategic partners to drive further growth.

There were also further wins for its Mayrise software. New installations took place at customers including Gateshead Council, Telford and Wrekin Council, North East Lincolnshire Council, East Sussex Council and Wigan Council. During this period, Yotta also announced the release of its new next-generation software for mobile workers. This release, based upon the Android™ platform, has already seen encouraging sales and will be further enhanced with new functionality during the next period.

The continued success of the Horizons and Mayrise product lines has seen increased demand for our consulting, training and project management services, leading to a 67% growth in year-on-year revenues. The period also saw Yotta invest in a new hosting service for its Mayrise Online customers to cope with the increased demand for cloud-based delivery of its software, which continues to constitute the majority of new sales.

The surveying activities also saw success. Notable wins included all eight authorities of the West Yorkshire Consortium, East Riding of Yorkshire, London Borough of Hackney, London Borough of Newham and Telford and Wrekin Council.

Yotta continues to make progress through its focus on software activities, evidenced by further growth in its recurring revenues. The outlook for the second half is encouraging for Yotta and the division remains on track to deliver on expectations.

OMG Life

	Revenue		PBT		Adjusted* PBT	
	H1 FY16	H1 FY15	H1 FY16	H1 FY15	H1 FY16	H1 FY15
Life	£0.0m	£0.0m	(£1.0m)	(£2.7m)	(£0.8m)	(£1.7m)

The reported adjusted* loss for OMG Life of £0.8m (H1: FY15 loss: £1.7m includes the impairment of previously capitalised R&D of £0.85m). The Balance Sheet now includes capitalised R&D of £1.5m (H1 FY15: £1.3m) relating to image capture IP.

OMG Life's two engineering engagements, announced in December last year, continue to make encouraging progress. A number of important delivery milestones have been met during the first half with the capture IP being implemented on a variety of platforms, including smartphones and tablets and involving both Android™ and Windows® operating systems. The IP enables these devices to take clear, well exposed, sharp images in a wide variety of lighting conditions regardless of whether the camera is being held still or not. These engagements are with international technology businesses. The nature of working with such large companies is that there is always risk as to whether we can commercially execute, but if the technology is adopted the rewards of scale are evident. We look forward to updating the market as these licensing activities progress through the second half.

It is also worth noting, as detailed earlier, should the new venture for the Classification IP be successful a number of the OMG Life staff will move into this entity. This transfer would reduce the OMG Life annual cost base by £0.4m with a modest benefit expected in this financial year. This transfer of staff is not expected to impact any on-going licensing activities or engineering engagements.

Outlook

As we enter the second half, the focus for the Group remains unchanged - we look to improve revenue predictability, profitability and cash generation. Vicon's Vantage camera range has clearly stimulated market interest, and sales pipelines for a successful full year result look promising. OMG Life will continue to exploit its current engagements to maximise return, and, in light of the expected spin-out of the Classification IP, will further reduce costs. Yotta's SaaS focus continues to deliver quality revenue and profit growth and is expected to progress further in the second half.

Notwithstanding macro-economic uncertainty, the Board is confident that, with the expected performance across the business, the Group is on track to meet current market expectations for the year as a whole.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 31 March 2016 (unaudited) £'000	Six months ended 31 March 2015 (unaudited) £'000	Year ended 30 September 2015 (audited) £'000
	Note			
Revenue	2	12,217	11,316	25,765
Cost of sales		(4,318)	(4,276)	(9,479)
Gross profit		7,899	7,040	16,286
Sales, support and marketing costs		(2,252)	(2,465)	(4,479)
Research and development		(2,208)	(2,323)	(4,141)
Administrative expenses		(3,372)	(3,650)	(6,921)
Other operating income		502	33	601
Operating profit/(loss)		569	(1,365)	1,346
Finance income		13	17	40
Finance expense		-	(5)	(7)
Profit/(loss) before taxation	2,3	582	(1,353)	1,379
Taxation	4	(359)	775	(144)
Profit/(loss) from continuing operations		223	(578)	1,235
(Loss)/profit from discontinued operations, net of tax		-	(1,389)	6,807
Profit/(loss) for the period attributable to owners of the parent during the period		223	(1,967)	8,042

Earnings per share for profit/(loss) on continuing operations attributable to owners of the parent during the year

Basic earnings/(loss) per share (pence)	5	0.19p	(0.51)p	1.08p
Diluted earnings/(loss) per share (pence)	5	0.18p	(0.51)p	1.05p

Earnings per share for profit/(loss) on total operations attributable to owners of the parent during the year

Basic earnings/(loss) per share (pence)	5	0.19p	(1.73)p	7.02p
Diluted earnings/(loss) per share (pence)	5	0.18p	(1.73)p	6.85p

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 31 March 2016 (unaudited) £'000	Six months ended 31 March 2015 (unaudited) £'000	Year ended 30 September 2015 (audited) £'000
Net profit/(loss) for the period		223	(1,967)	8,042
Other comprehensive income				
Exchange differences on retranslation of overseas subsidiaries		95	471	336
Tax recognised directly in equity		35	221	336
Total other comprehensive income		130	692	672
Total comprehensive income for the period attributable to the owners of the parent		353	(1,275)	8,714

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 March 2016 (unaudited) £'000	31 March 2015 (unaudited) £'000	30 September 2015 (audited) £'000
Note			
Non-current assets			
Goodwill and intangible assets	12,823	12,255	12,838
Property, plant and equipment	982	1,184	984
Financial asset – investment	69	69	69
Deferred consideration receivable	213	319	1,971
Deferred tax asset	503	985	632
	14,590	14,812	16,494
Current assets			
Inventories	2,424	1,683	1,876
Trade and other receivables	11,715	7,976	9,631
Cash and cash equivalents	5,808	8,563	11,738
	19,947	18,222	23,245
Assets classified as held for sale	-	5,528	-
Current liabilities			
Trade and other payables	(7,385)	(6,237)	(8,013)
Current tax liabilities	(358)	(8)	(497)
	(7,743)	(6,245)	(8,510)
Liabilities directly associated with assets classified as held for sale	-	(1,634)	-
Net current assets	12,204	15,871	14,735
Total assets less current liabilities	26,794	30,683	31,229
Non-current liabilities			
Deferred tax liability	(2,218)	(1,578)	(2,174)
Net assets	24,576	29,105	29,055
Capital and reserves attributable to the owners of the parent			
Share capital	6	302	283
Shares to be issued		65	65
Share premium account		16,732	15,443
Merger reserve		-	6,589
Retained earnings		7,327	6,309
Foreign currency translation reserve		150	416
Total equity shareholders' funds		24,576	29,105

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

	Six months ended 31 March 2016	Six months ended 31 March 2015	Year ended 30 September 2015

	(unaudited) £'000	(unaudited) £'000	(audited) £'000
Cash flows from operating activities			
Operating profit/(loss)	569	(1,365)	1,346
Depreciation and amortisation	982	1,470	2,438
Impairment of intangibles	-	415	415
Profit on sale of property, plant and equipment	(2)	(69)	(71)
Share based payments	58	114	154
Exchange adjustments	124	124	55
(Increase)/decrease in inventories	(527)	50	(85)
(Increase)/decrease in receivables	(297)	1,173	(513)
(Decrease)/increase in payables	(677)	(327)	1,296
Cash generated from continuing operations	230	1,585	5,035
Discontinued operations	-	1,415	1,277
Cash generated from operating activities	230	3,000	6,312
Tax (paid)/received	(354)	12	(1,530)
Net cash from operating activities	(124)	3,012	4,782
Cash flows from investing activities			
Purchase of property, plant and equipment	(252)	(321)	(626)
Purchase of intangible assets	(722)	(1,289)	(2,514)
Proceeds on disposal of property, plant and equipment	45	181	346
Proceeds from the sale of discontinued operations net of cash disposed	-	255	12,790
Interest received	13	12	40
Net cash used in investing activities	(916)	(1,162)	10,036
Cash flows from financing activities			
Payment of finance lease liabilities	-	(45)	(51)
Interest element of finance lease repayments	-	(5)	(6)
Bank interest paid	-	(3)	(4)
Issue of ordinary shares	414	-	894
Equity dividends paid	(5,304)	(567)	(11,541)
Net cash used in financing activities	(4,890)	(620)	(10,708)
Net (decrease)/increase in cash and cash equivalents	(5,930)	1,230	4,110
Cash and cash equivalents at beginning of the period	11,738	7,628	7,628
Cash and cash equivalents at end of the period	5,808	8,858	11,738
Amount included in cash and cash equivalents	5,808	8,563	11,738
Amount included in assets classified as held for sale	-	295	-
Total cash and cash equivalents at end of the period	5,808	8,858	11,738

CONDENSED CONSOLIDATED STATEMENT OF CHANGES TO EQUITY

Share Capital	Shares to be issued	Share premium account	Merger reserve	Retained earnings	Foreign currency translation reserve	Total
---------------	---------------------	-----------------------	----------------	-------------------	--------------------------------------	-------

	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 October 2015	294	65	16,326	-	12,315	55	29,055
Net profit for the period	-	-	-	-	223	-	223
Exchange differences on retranslation of overseas subsidiaries	-	-	-	-	-	95	95
Tax recognised directly in equity	-	-	-	-	35	-	35
Transactions with owners:							
Dividends	-	-	-	-	(5,304)	-	(5,304)
Issue of share capital	8	-	406	-	-	-	414
Movement in relation to share based payments	-	-	-	-	58	-	58
Balance as at 31 March 2016	302	65	16,732	-	7,327	150	24,576

Balance as at 1 October 2014	283	65	15,443	6,589	8,493	(55)	30,818
Net loss for the period	-	-	-	-	(1,967)	-	(1,967)
Exchange differences on retranslation of overseas subsidiaries	-	-	-	-	-	471	471
Tax recognised directly in equity	-	-	-	-	221	-	221
Transactions with owners:							
Dividends	-	-	-	-	(567)	-	(567)
Movement in relation to share based payments	-	-	-	-	129	-	129
Balance as at 31 March 2015	283	65	15,443	6,589	6,309	416	29,105

	Share Capital	Shares to be issued	Share premium account	Merger reserve	Retained earnings	Foreign currency translation reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 October 2014	283	65	15,443	6,589	8,493	(55)	30,818
Net loss for the year	-	-	-	-	8,042	-	8,042
Exchange differences on retranslation of overseas subsidiaries	-	-	-	-	-	336	336
Transfer between reserves	-	-	-	(6,589)	6,815	(226)	-
Tax recognised directly in equity	-	-	-	-	336	-	336
Transactions with owners:							
Dividends	-	-	-	-	(11,541)	-	(11,541)
Issue of share capital	11	-	883	-	-	-	894
Movement in relation to share based payments	-	-	-	-	170	-	170
Balance as at 30 September 2015	294	65	16,326	-	12,315	55	29,055

The accompanying notes are an integral part of this interim financial information

NOTES TO THE CONDENSED CONSOLIDATED INTERIM STATEMENTS

1. Basis of preparation

OMG Plc (the "Company") is a company domiciled in England. The condensed consolidated interim financial statements of the Company for the six months ended 31 March 2016 comprise the Company and its subsidiaries (together referred to as the "Group").

The following IFRIC amendments and IASs have been issued by the IASB, but are applicable to future periods. They are not expected to have any material impact on the Group's reporting:

- IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'
- IFRS 9 'Financial Instruments'
- IFRS 10 'Consolidated Financial Statements'
- IFRS 12 'Disclosure of Interests in Other Entities'
- IFRS 15 'Revenue from contracts with customers'
- IAS 24 'Related Party Disclosures' (revised)
- IAS 27 'Separate Financial Statements' (revised)
- Amendment to IAS 32 'Financial Instruments: Presentation'
- Amendment to IAS 36 'Impairment of Assets'

Otherwise, the condensed consolidated interim financial statements have been prepared using accounting policies consistent with those of the annual financial statements for the year ended 30 September 2015. They are in accordance with IAS 34.

The interim financial statements have not been audited or reviewed and the financial information contained in this report does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The comparative figures for the year ended 30 September 2015 are not the statutory accounts but have been extracted from the Group's 2015 financial statements which have been delivered to the Registrar of Companies. The auditors' report on those financial statements was unqualified did not contain references to any matters to which the auditors drew attention without qualifying the report and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

2. Segmental reporting

Segment information is presented in the condensed consolidated interim financial statements in respect of the Group's business segments, which are reported to the Chief Operating Decision Maker (CODM). The Group has identified the Board of Directors of OMG plc ("the Board") as the CODM. The business segment reporting reflects the Group's management and internal reporting structure. The Group comprises the following business segments:

Vicon Group: This is the development, production and sale of computer software and equipment for the entertainment, engineering and life science markets;

Yotta Group: This is services for the management of infrastructure and taxation, highway surveying and associated software development;

2d3 Group: This is the development and sale of computer software for the defence market;

OMG Life: This is the consumer electronics segment.

Other unallocated costs represent head office expenses not recharged to subsidiary companies.

Business segments are analysed below:

	Six months ended 31 March 2016 (unaudited) £'000	Revenue Six months ended 31 March 2015 (unaudited) £'000	Year ended 30 September 2015 (audited) £'000
Vicon UK	4,397	4,547	9,458
Vicon USA	3,909	3,108	7,637
Vicon Group	8,306	7,655	17,095
Yotta UK	2,395	2,321	5,708
Yotta Mayrise	1,509	1,302	2,930
Yotta Group	3,904	3,623	8,638
OMG Life Group	7	38	32
Continuing operations	12,217	11,316	25,765
House of Moves	-	38	38
2d3 UK	-	379	380
2d3 USA	-	1,611	1,580
2d3 Group	-	1,990	1,960
Discontinued operations	-	2,028	1,998
OMG Group	12,217	13,344	27,763

	Six months ended 31 March 2016 (unaudited) £'000	Revenue Six months ended 31 March 2015 (unaudited) £'000	Year ended 30 September 2015 (audited) £'000
By destination			
UK	4,794	4,400	10,421
Europe	1,637	1,203	2,549
North America	3,740	2,921	7,271
Asia Pacific	1,805	2,499	4,869
Other	241	293	655
Continuing operations	12,217	11,316	25,765
UK	-	238	239
Europe	-	143	144
North America	-	1,647	1,615
Discontinued operations	-	2,028	1,998
OMG Group	12,217	13,344	27,763
By origin			
UK	8,302	6,941	18,163
North America	3,915	4,375	7,602
Continuing operations	12,217	11,316	25,765
UK	-	379	380
North America	-	1,649	1,618
Discontinued operations	-	2,028	1,998
OMG Group	12,217	13,344	27,763

Six months ended 31 March 2016	Six months ended 31 March 2015	Year ended 30 September 2015
---	---	---

	(unaudited) £'000	(unaudited) £'000	(audited) £'000
Vicon revenue by market			
Engineering	1,991	2,075	3,605
Entertainment	2,099	1,939	4,595
Life sciences	4,216	3,641	8,895
Vicon Group	8,306	7,655	17,095

This additional information is provided to the Chief Operating Decision Maker. Further analysis by market is not available.

	Six months ended 31 March 2016 (unaudited)				Six months ended 31 March 2015 (unaudited)				Year ended 30 September 2015 (audited)			
	Adjusted* profit/(loss) before tax £'000	Adjusting items £'000	Group recharges £'000	Profit/(loss) before tax £'000	Adjusted* profit/(loss) before tax £'000	Adjusting items £'000	Group recharges £'000	Profit/(loss) before tax £'000	Adjusted* profit/(loss) before tax £'000	Adjusting items £'000	Group recharges £'000	Profit/(loss) before tax £'000
Vicon UK	879	(1)	288	1,166	973	(30)	313	1,256	2,489	(76)	791	3,204
Vicon USA	1,383	-	(905)	478	816	-	(672)	144	2,769	(5)	(1,796)	968
Vicon Group	2,262	(1)	(617)	1,644	1,789	(30)	(359)	1,400	5,258	(81)	(1,005)	4,172
Yotta UK	(439)	-	(92)	(531)	(247)	(60)	(155)	(462)	560	(107)	(424)	29
Yotta Mayrise	984	(212)	(346)	426	744	(212)	(150)	382	1,475	(424)	(298)	753
Yotta Group	545	(212)	(438)	(105)	497	(272)	(305)	(80)	2,035	(531)	(722)	782
OMG Life Group	(798)	(25)	(139)	(962)	(1,732)	(628)	(352)	(2,712)	(2,497)	(657)	(238)	(3,392)
Unallocated	(1,157)	(32)	1,194	5	(1,217)	(88)	1,344	39	(2,404)	(87)	2,308	(183)
Continuing operations	852	(270)	-	582	(663)	(1,018)	328	(1,353)	2,392	(1,356)	343	1,379
House of Moves	-	-	-	-	(93)	-	-	(93)	(93)	(175)	-	(268)
2d3 UK	-	-	-	-	60	(7)	(198)	(145)	2,693	(8)	(208)	2,477
2d3 USA	-	-	-	-	(1,005)	(127)	(130)	(1,262)	(3,819)	10,840	(135)	6,886
2d3 Group	-	-	-	-	(945)	(134)	(328)	(1,407)	(1,126)	10,832	(343)	9,363
Discontinued operations	-	-	-	-	(1,038)	(134)	(328)	(1,500)	(1,219)	10,657	(343)	9,095
OMG Group	852	(270)	-	582	(1,701)	(1,152)	-	(2,853)	1,173	9,301	-	10,474

	Non-current assets			Additions to non-current assets			Carrying amount of segment assets			Carrying amount of segment liabilities			Segment depreciation and amortisation		
	Six months ended 31 March 2016 (unaudited) £'000	Six months ended 31 March 2015 (unaudited) £'000	Year ended 30 September 2015 (audited) £'000	Six months ended 31 March 2016 (unaudited) £'000	Six months ended 31 March 2015 (unaudited) £'000	Year ended 30 September 2015 (audited) £'000	Six months ended 31 March 2016 (unaudited) £'000	Six months ended 31 March 2015 (unaudited) £'000	Year ended 30 September 2015 (audited) £'000	Six months ended 31 March 2016 (unaudited) £'000	Six months ended 31 March 2015 (unaudited) £'000	Year ended 30 September 2015 (audited) £'000	Six months ended 31 March 2016 (unaudited) £'000	Six months ended 31 March 2015 (unaudited) £'000	Year ended 30 September 2015 (audited) £'000
Vicon UK	3,707	2,960	3,501	704	743	1,752	10,945	12,179	16,262	(3,424)	(2,409)	(3,229)	483	440	797
Vicon USA	806	1,190	885	1	8	330	5,147	4,211	4,772	(1,543)	(1,032)	(1,332)	7	13	84
Vicon Group	4,513	4,150	4,386	705	751	2,082	16,092	16,390	21,034	(4,967)	(3,441)	(4,561)	490	453	881
Yotta UK	4,218	4,489	4,288	181	245	458	9,321	11,172	9,076	(2,161)	(1,892)	(2,531)	250	319	611
Yotta Mayrise	4,031	4,361	4,197	54	6	66	11,226	9,834	10,967	(1,317)	(1,603)	(1,757)	224	226	448
Yotta Group	8,249	8,850	8,485	235	251	524	20,547	21,006	20,043	(3,478)	(3,495)	(4,288)	474	545	1,059
OMG Life Group	1,537	1,308	1,532	-	543	776	(4,074)	(3,706)	(3,864)	(443)	(468)	(520)	4	461	893
Unallocated	291	504	2,091	34	24	32	1,943	(684)	2,498	(1,068)	(414)	(1,310)	14	11	21
Continuing operations	14,590	14,812	16,494	974	1,569	3,414	34,508	33,006	39,711	(9,956)	(7,818)	(10,679)	982	1,470	2,854
Yotta USA	-	-	-	-	-	-	29	28	28	(5)	(5)	(5)	-	-	-
House of Moves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2d3 UK	-	-	-	-	-	23	-	297	-	-	(126)	-	-	3	3
2d3 USA	-	-	-	-	-	18	-	5,231	-	-	(1,508)	-	-	244	255
2d3 Group	-	-	-	-	-	41	-	5,528	-	-	(1,634)	-	-	247	258
Discontinued operations	-	-	-	-	-	41	29	5,556	28	(5)	(1,639)	(5)	-	247	258
OMG Group	14,590	14,812	16,494	974	1,569	3,455	34,537	38,562	39,739	(9,961)	(9,457)	(10,684)	982	1,717	3,112

3. Reconciliation of adjusted (loss)/profit before tax

	Six months ended 31 March 2016 (unaudited) £'000	Six months ended 31 March 2015 (unaudited) £'000	Year ended 30 September 2015 (audited) £'000
Profit/(loss) before tax – continuing operations	582	(1,353)	1,379
Share based payments – equity settled	58	112	154
Amortisation of intangibles arising on acquisition	212	258	502
Compensation to contractor manufacturer and Autographer inventory write off	-	540	540
Redundancy costs	-	108	160
Reapportion Group overheads	-	(328)	(343)
Adjusted profit/(loss) before tax – continuing operations	852	(663)	2,392
(Loss)/profit before tax – discontinued operations	-	(1,500)	9,095
Share based payments – equity settled	-	15	16
Amortisation of intangibles arising on acquisition	-	119	124
Profit on disposal of House of Moves and 2d3 Group	-	-	(10,797)
Reapportion Group overheads	-	328	343
Adjusted loss before tax – discontinued operations	-	(1,038)	(1,219)
Total adjusted profit/(loss) before tax – all operations	852	(1,701)	1,173

Redundancy costs in the year ended 30 September 2015 relate to the restructuring of the Vicon, Yotta and OMG Life business segments.

The compensation to contract manufacturer and Autographer inventory write off relates to the cost of terminating the contract with our manufacturer in OMG Life Limited.

4. Taxation

The Group's consolidated effective tax rate for the six months ended 31 March 2016 was 61.7% (for the six months ended 31 March 2015: 31.1%; for the year ended 30 September 2015: 23.2%).

In accordance with IAS 34 the tax charge for the half year is calculated on the basis of the estimated full year tax rate.

5. Loss per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period. The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares on the assumed conversion of all dilutive options.

	31 March 2016 (unaudited)			31 March 2015 (unaudited)			30 September 2015 (audited)		
	Earnings/(loss) £'000	Weighted average number of shares '000	Per share amount (pence)	Earnings/(loss) £'000	Weighted average number of shares '000	Per share amount (pence)	Earnings/(loss) £'000	Weighted average number of shares '000	Per share amount (pence)
Continuing operations									
Basic earnings/(loss) per share									
Earnings attributable to ordinary shareholders	223	119,511	0.19	(578)	113,357,814	(0.51)	1,235	114,626	1.08
Dilutive effect of employee share options	-	2,473	(0.01)	-	-	-	-	2,789	(0.03)
Diluted earnings/(loss) per share	223	121,984	0.18	(578)	113,357,814	(0.51)	1,235	117,415	1.05
Discontinued operations									
Basic earnings/(loss) per share									
Earnings attributable to ordinary shareholders	-	-	-	(1,389)	113,357,814	(1.22)	6,807	114,626	5.94
Dilutive effect of employee share options	-	-	-	-	-	-	-	2,789	(0.14)
Diluted earnings/(loss) per share	-	-	-	(1,389)	113,357,814	(1.22)	6,807	117,415	5.80
Total operations									
Basic earnings/(loss) per share									
Loss attributable to ordinary shareholders	223	119,511	0.19	(1,967)	113,357,814	(1.73)	8,042	114,626	7.02
Dilutive effect of employee share options	-	2,473	(0.01)	-	-	-	-	2,789	(0.17)
Diluted earnings/(loss) per share	223	121,984	0.18	(1,967)	113,357,814	(1.73)	8,042	117,415	6.85

6. Share capital

	31 March 2016 (unaudited) £'000	31 March 2015 (unaudited) £'000	30 September 2015 (audited) £'000
Allotted, called up and fully paid			
120,951,475 shares of 0.25p (31 March 2015: 113,357,814 shares of 0.25p and 30 September 2015: 117,434,799 shares of 0.25p)	302	283	294

During the six month period ended 31 March 2016 3,516,676 shares were issued relating to share options that were exercised.

There were no shares issued in respect of share options exercised during the six months ended 31 March 2015 (year ended 30 September 2015: 4,076,985).

7. Dividends

The following dividends were recognised as distributions to equity holders in the period:

	31 March 2016 (unaudited) £'000	31 March 2015 (unaudited) £'000	30 September 2015 (audited) £'000
Final dividend for 2015 paid in 2016 - 0.65 pence per share	784	-	-
Final dividend for 2014 paid in 2015 - 0.50 pence per share	-	567	567
Special paid in 2016 (3.75 pence per share)	4,520	-	-
Special paid in 2015 (4.50 pence per share)	-	-	5,102
Special paid in 2015 (5.00 pence per share)	-	-	5,872
	5,304	567	11,541

The final dividend for 2015 was paid to shareholders on 9 March 2016 at 0.65 pence per share, a total of £784,000.

8. Copies of the interim statement

Copies of the interim statement will be sent to shareholders. Further copies will be available from the Company's registered office at 14 Minns Business Park, West Way, Oxford OX2 0JB, and from the Company's website: www.omgplc.com.